



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

State Capitol Building  
Des Moines, Iowa 50319-0004  
Telephone (515) 281-5834 Facsimile (515) 281-6518

Rob Sand  
Auditor of State

**NEWS RELEASE**

FOR RELEASE

July 25, 2019

Contact: Marlys Gaston  
515/281-5834

Auditor of State Rob Sand today released an agreed-upon procedures report on the City of Seymour, Iowa, for the period July 1, 2017 through June 30, 2018. The agreed-upon procedures engagement was performed to ensure State aid provided by the Homeland Security and Emergency Management Department in accordance with Chapter 29C.20 of the Code of Iowa was accounted for and spent in accordance with determined eligibility.

A copy of the agreed-upon procedures report is available for review on the Auditor of State's web site at <https://auditor.iowa.gov/reports/audit-reports/>.

# # #

**CITY OF SEYMOUR**  
**AUDITOR OF STATE'S INDEPENDENT REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**  
**FOR THE PERIOD**  
**JULY 1, 2017 THROUGH JUNE 30, 2018**



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

State Capitol Building  
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 281-6518

Rob Sand  
Auditor of State

June 21, 2019

Officials of the City of Seymour  
Seymour, Iowa

Dear Honorable Mayor, Members of the City Council and Members of the Executive Council:

I am pleased to submit to you this agreed-upon procedures report for the City of Seymour, Iowa, for the year ended June 30, 2018. The agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants.

I appreciate the cooperation and courtesy extended by the officials and employees of the City of Seymour throughout the agreed-upon procedures engagement. If I or this office can be of any further assistance, please contact me or Marlys Gaston of my staff at 515-281-5834.

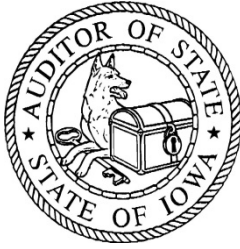
Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand". The signature is stylized with a large, looped "R" and a long, sweeping "S".

Rob Sand  
Auditor of State

## Table of Contents

|  | <u>Page</u> |
|--|-------------|
| Auditor of State's Independent Report on Applying Agreed-Upon Procedures | 3-4         |
| Background Information   | 5           |
| Detailed Recommendation  | 6           |
| Staff  | 7           |



**OFFICE OF AUDITOR OF STATE  
STATE OF IOWA**

Rob Sand  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834 Facsimile (515) 281-6518

Auditor of State's Independent Report on Applying Agreed-Upon Procedures

To the Honorable Mayor, Members of the City Council and Members of the Executive Council:

We have performed the procedures below which were agreed to by the City of Seymour for the period July 1, 2017 through June 30, 2018 to ensure the State Disaster Aid loan received by the City pursuant to Chapter 29C.20 of the Code of Iowa has been accounted for and spent in accordance with determined eligibility. The City of Seymour's management is responsible for compliance with these requirements and for the financial information.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the City. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed are summarized as follows:

1. We reviewed debt transactions for proper authorization and to determine whether the debt and related proceeds and repayments were properly accounted for.
2. We reviewed and tested all disbursements made for disaster recovery relief for proper approval, adequate supporting documentation and compliance with the allowable uses established by Chapter 29C.20 of the Code of Iowa.

Based on the performance of the procedures described above, we identified a recommendation for the City. Our recommendation is described in the Detailed Recommendation section of this report. Unless reported in the Detailed Recommendation, no items were noted during the performance of the specific procedures listed above.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the proper accounting and use of State Disaster Aid loan. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is to report certain agreed-upon procedures and the resulting recommendations. This report is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City of Seymour during the course of our agreed-upon procedures engagement. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

  
Marlys K. Gaston, CPA  
Deputy Auditor of State

June 21, 2019

## **BACKGROUND INFORMATION**

The City received a loan from the Iowa Homeland Security and Emergency Management Department (IHSEMD) to assist in disaster recovery following an EF2 tornado which occurred on March 6, 2017. The funding was provided as a result of the Governor's Proclamation of Emergency Disaster. The City of Seymour's management is responsible for compliance with provisions of the disaster aid loan agreement. Agreed-upon procedures were performed to ensure compliance with the proper accounting for and use of the loan proceeds in accordance with Chapter 29C.20 of the Code of Iowa.

City of Seymour

Detailed Recommendations

For the Period July 1, 2017 through June 30, 2018

Disbursement of Loan Proceeds – On May 16, 2017, the City of Seymour received a \$284,837 disaster assistance loan from the IDHEMD for tornado related repairs. At June 30, 2018, the City had incurred and paid a total of \$82,226 for qualifying tornado related repairs, \$42,402 in fiscal year 2018 and \$39,824 in fiscal year 2017, leaving \$202,611 of unspent loan proceeds at June 30, 2018.

Recommendation – The City should review pending tornado related repairs outstanding, if any. Unspent loan proceeds remaining after all outstanding obligations are paid should be returned to the State.



City of Seymour

Staff

This engagement was performed by:

Marlys K. Gaston, CPA, Deputy Auditor of State  
Katherine L. Rupp, CPA, Manager  
Emma L. McGrane, Senior Auditor